Tempers Flare at ITT Hearing; McLaren Calls Inquiry 'Outrage'

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By Sanford J. Ungar
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Tempers flared yesterday on the fifth day of special Senate hearings on the alleged link between a $1 billion Justice Department antitrust settlement and an offer by the corporation involved to help subsidize the Republican National Convention.

Federal Judge Richard W. McLaren, of Chicago, who negotiated the settlement as head of the Justice Department's Antitrust Division, told the Senate Judiciary Committee that the way it was conducting its hearings was an "absolute outrage."

"You know how the decision was made" to settle pending cases against the International Telephone and Telegraph Corp., McLaren shouted, "and there was no hanky-panky about it either."

Rather than examining the qualifications of Richard G. Kleindienst, President Nixon's nominee for Attorney General, who requested that the hearings be convened last week, "you're attacking my judgment," McLaren said.

The explosive eruption by McLaren came as Sen. John V. Tunney (D-Calif.) pressed him again on whether it was appropriate to call on White House

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Richard McLaren: "There was no hanky-panky . . ."

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aide Peter M. Flanigan to recruit an outside financial analyst to evaluate ITT's claim of "financial hardship."

McLaren denied again that it was improper to rely on Flanigan's "expertise" in finding Richard J. Ramsden, a former White House Fellow, to prepare the ITT report.

Late in the day, aides to Tunney and Sen. Edward M. Kennedy (D-Mass.) said the Democrats on the committee had succeeded in persuading Chairman James O. Eastland (D-Miss.) to "invite" Flanigan to testify, possibly provoking a confrontation with the White House over the doctrine of "executive privilege."

Eastland refused, however, to confirm that a final decision had been taken on Flanigan.

Apparently miffed that other senators and violated what he considers his prerogarive to announce witness lists, Eastland said only that syndicated columnist Jack Anderson would be the first one called to testify today. (It was also anticipated that former attorney general John N. Mitchell will be called today.)

He added that he had asked committee members to submit the names and addresses of other witnesses they would like to appear.

Aides to Tunney and Kennedy said that, besides Flanigan, the names would include:

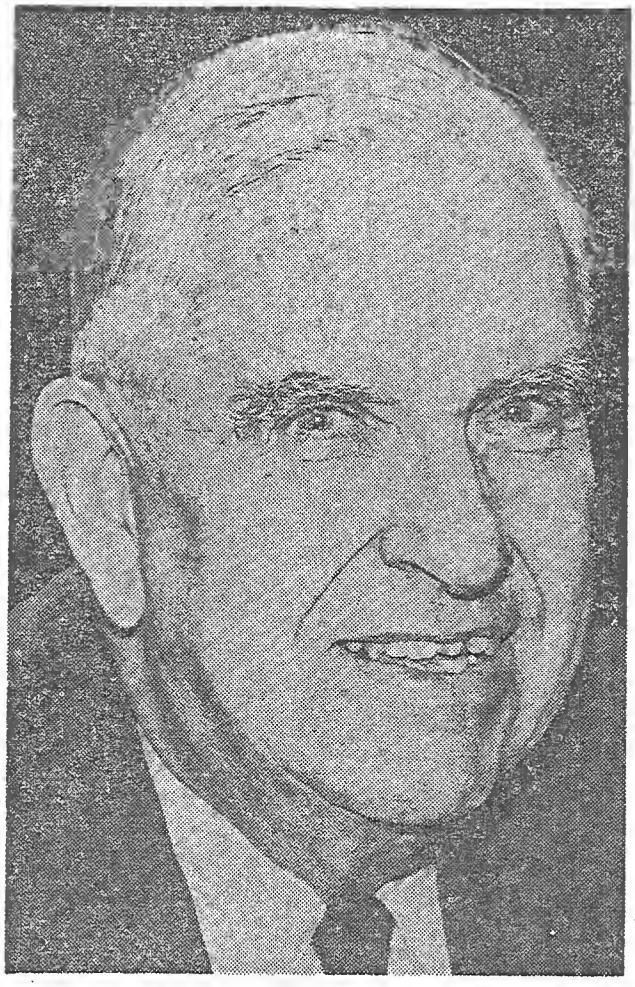
• ITT lobbyist Dita D. Beard, now a heart patient in a Denver osteopathic hospital, whose controversial memo linking the antitrust settlement and the convention gift was published by Anderson.

An osteopath treating Mrs. Beard in Denver said last night that the lobbyist has "passed the danger point." He reiterated, however, that she could probably not return for questioning here before "another week or so."

• William Merriam, head of ITT's Washington office, to whom Mrs. Beard's memo was addressed.

• Harold Geneen, president of the multi-billion-dollar conglomerate, who is understood to have had direct supervision over his lobbyist's activities.

• Rep. Bob Wilson (R-Calif.), who has said that he discussed ITT's contribution of up to $400,000 with Geneen in San Diego last year.



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Solicitor General Erwin Griswold, a late-afternoon surprise witness, after testifying that he thought the Justice Department settlement with ITT was good.

• California Lt. Gov. Ed Reinecke, who told Tunney and several newsmen last week that he discussed the contribution with former Attorney General Mitchell last summer, while settlement negotiations were under way.

• Ed Gillenwaters, a Reinecke aide who supported Reinecke's story before the lieutenant governor backed down and "clarified" his remarks to say he never discussed the contribution with Mitchell until September.

• Ramsden, who has acknowledged that he supervised an investment portfolio including about $200,000 worth of ITT stock at the time he did the report for Flanigan.

• New York lawyer Lawrence E. Walsh, a prominent Republican who was hired by ITT especially to obtain a delay in the Justice Department's appeal of an antitrust case to the Supreme Court.

• John F. Ryan, a deputy to Merriam in ITT's Washington office, who apparently initiated Kleindienst's private meetings with ITT director Felix G. Rohatyn during a springtime party last year in the McLean, Va., neighborhood where Kleindienst and Ryan live.

After learning that his wife is involved in an investigation of alleged Medicare frauds, some committee members also want to recall Dr. Victor L. Liszka, the cardiovascular surgeon from Arlington who testified Monday that Mrs. Beard's heart condition sometimes made her "disturbed and irrational."

When Anderson takes the witness stand today, The Washington Post learned last

night, he will claim that Dr. Liszka has done referral work for the Hamilton Life Insurance Co., an ITT subsidiary.

Under oath Monday, Dr. Liszka denied that he had ever had any contact with ITT and its subsidiaries, except to treat Mrs. Beard for the last nine years and to report to company executives on her health.

Anderson said he will also seek to offer independent information which could serve to corroborate Mrs. Beard's memo, the contents of which have been disavowed by Mitchell, Kleindienst and other government witnesses.

Yesterday's session included several partisan swipes between Republicans and Democrats and the most emotional outbursts in the hearings to date.

Republicans, led by the ranking minority member of the committee, Roman Hruska of Nebraska, sought to portray Kleindienst's and McLaren's behavior as totally acceptable.

Sen. Marlow W. Cook (R-Ky.) accused his Democratic colleagues of "shocking" conduct, especially during their interrogation of Dr. Liszka on Monday.

For his part, Sen. Edward J. Gurney (R-Fla.) said, "I hope we can stop this charade after a while." He complained that some questions had been asked of Kleindienst and McLaren "a score or more" times.

That prompted Kennedy to observe that only through persistent questioning did the committee learn about the roles of Ryan, Ramsden, Flanigan and Walsh in the ITT settlement.

"That's a great contribution to human knowledge, isn't it, senator?" McLaren muttered.

"Yes," replied Kennedy, "and to the American pepole.'

Kleindienst implied yesterday that he was sorry for requesting that the hearings be called after the Judiciary Committee had already endorsed his nomination to be Attorney General.

"I requested these hearings to look into the alleged deal, but also into my own personal integrity," the Cabinet nominee said, adding that he now had "concern and apprehension that no limitation would be placed" if Flanigan were to testify.

He called Mrs. Beard's memo "nothing but a memorandum written by a poor soul, a rather sick person."

Defending his own contacts with the White House during the ITT case and others, Kleindienst asserted that "I'm not a prophylactic sack with regard to the White House. I consider myself an extension of the Nixon administration."

McLaren, who has been on the firing line at least as much as Kleindienst over the past two days, refused to discuss Ramsden's potential conflict of interest in doing the ITT report while holding control over some of the company's stock.

have had an adverse effect on ITT stock if Ramsden's report had favored divestiture, of the biggest ITT acquisition, the Hartford Fire Insurance Co., McLaren merely gritted his teeth and said, "I have no comment."

Sen. Philip A. Hart (D-Mich.), trying to assuage the feelings of Kleindienst and McLaren, said the extensive, unrelenting questioning was necessary because "there has been a suggestion that influences inimical to the public interest were at work" in the ITT cases.

Solicitor General Erwin N. Griswold also testified yesterday, as a late-afternoon surprise witness, and said that settlement with ITT was a favorable development, since he felt the Justice Department mighty lose all of its three suits against the conglomerate if appealed to the Supreme Court.

Griswold praised the ITT settlement, which required the tory of American business, and banned certain new acquisitions by ITT as well as reciprocal buying among its subsidiaries, as "a very substantial victory for the government."

In another development, Richard Herman, a Nebraska Republican who is vice chairman of the arrangements committee for the GOP National Convention, said the party will now accept a maximum of $25,000 as ITT's contribution.

It could be reduced even further, Herman said in Omaha, if other businesses do not contribute comparable amounts.